

Testimony before the Appropriations Committee  
February 11, 2010

Re: Governor's Budget Proposal

Good afternoon Senator Harp and Representative Geragosian. My name is Margherita Giuliano. I am a pharmacist and Executive Vice President of the Connecticut Pharmacists Association. The Connecticut Pharmacists Association is a professional organization representing close to 1000 pharmacists in the state.

I am here today to address the proposed budget cuts to the pharmacies in our state. Pharmacists have worked with DSS and state legislators over the past twenty years to identify programs that help save the state money. Last year alone, members of CPA met with the Appropriations Committee and the Department of Social Services to provide real savings to the DSS budget. As in years past, many of our ideas were implemented but none of those savings were returned to the pharmacies. Instead, we were penalized with a cut to our dispensing fee and a decrease to AWP – even after the savings we brought to the table were brought in “good faith” to keep our AWP whole. In addition, we have the added responsibility of managing and implementing the copays for the dual eligibles. We have experienced significant challenges in collecting the copays and fielding the many questions our patients have. And after all of the dramatic cuts last year, the administration has the nerve to return to pharmacy for more cuts this year!

We have dealt in good faith with the legislature and DSS but we have not been treated fairly. We are an easy target that you continuously hammer. Even when the state had a budget surplus our fees were not increased! We have not received an increase in reimbursement since 1989! I challenge you to find one other Medicaid provider who has been treated as poorly as pharmacists have been.

The Governor's budget hits pharmacy broad and deep.

- Specifically the proposal to implement co-pays to our most indigent citizens will not work. The state tried this twice before and it failed each time. These patients can't afford the co-pays and Medicaid advocates will do a good job on enlightening their clients to the fact that pharmacies are not allowed to deny service if co-pays are not rendered. Pharmacies might just as well write a \$20.00 check to the state each month for their Medicaid clients.
- Removing coverage of OTC drugs will increase the prescriptions for OTC alternatives. Again, the administration is being short sighted as it is less expensive to pay for the OTCs.
- Since the administration couldn't further decrease our MAC reimbursement without legislative approval as was attempted in January – it is now part of the budget proposal. We are being asked to take another 5% reduction. Again, these cuts are not long term solutions. They never have been.

- The dual eligible patients will already see an increase in their copays from \$15 to \$20 per month.
- We support moving the mental health drugs to the preferred drug list. We can use our clinical skills to help both patients and prescribers navigate through the process.

Last year the Federal Government gave Connecticut millions of dollars that was supposed to be used for Medicaid. Of course the money went to plug the budget deficit. The Federal government is going to give the states more money this year – again for Medicaid. I'm sure the underserved will never see that money either. So here we are – faced with the same issues and looking to resolve them in the same old way. My members are no longer willing to suggest new ways to save the state money.

However, we are interested in proposing ways to reimburse the pharmacies differently. First, we recognize that the benchmark of AWP is going away on the federal level. During the special session we met with the chairs of appropriations to look at defining a new reimbursement methodology. The current one doesn't work for either of us. Now is the right time to sit down and address this.

We also think that pharmacies that are providing extra services and quality care should be reimbursed more money than those that are providing minimum services. The pharmacies that are doing special packaging for Medicaid clients that keep them out of the hospital and living independently should be paid more. The pharmacies that employ drivers to deliver to clients in their homes should be paid more. The pharmacies that have fewer errors should be paid more. Not all pharmacies are equal.

For years I have asked you to think outside the box and spend some money to improve the quality of care for this population. Study after study has shown that when pharmacists are actually involved in managing patient's medications, we have a positive impact on total healthcare costs. Early results from the project we are doing with the Medicaid patients through the Medicaid Transformation Grant have shown great savings! It is time to partner with pharmacists to provide clinical care that will improve the quality of life for the Medicaid client. The savings should then be used to pay our pharmacies properly so they can continue to take care of this vulnerable population. Including pharmacists in the medical home model or in the primary care case management pilot would be a great start.

Don't continue to cut reimbursements to those who have consistently worked with you to develop creative programs. Instead, use our expertise in creating new ways to realize long-term savings through projects that are sustainable. We look forward to the continued dialogue.